

VZCZCXRO9100
PP RUEHCHI RUEHFK RUEHHM RUEHKSO RUEHNAG RUEHPB
DE RUEHWL #0757/01 2871849
ZNR UUUUU ZZH
P 141849Z OCT 07
FM AMEMBASSY WELLINGTON
TO RUEHC/SECSTATE WASHDC PRIORITY 4803
INFO RUEHZU/ASIAN PACIFIC ECONOMIC COOPERATION PRIORITY
RUEHBY/AMEMBASSY CANBERRA PRIORITY 4991
RUEHUL/AMEMBASSY SEOUL PRIORITY 0270
RUEHGP/AMEMBASSY SINGAPORE PRIORITY 0512
RUEHKO/AMEMBASSY TOKYO PRIORITY 0667
RUEKJCS/OSD WASHINGTON DC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

UNCLAS SECTION 01 OF 02 WELLINGTON 000757

SIPDIS

SENSITIVE
SIPDIS

STATE FOR EAP/ANP; OSD FOR JESSICA POWERS

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [ETRD](#) [MARR](#) [NZ](#)

SUBJECT: NATIONAL'S FOREIGN POLICY STRATEGY: NO
SURPRISES/FEW DIFFERENCES FROM LABOUR

¶1. (SBU) Summary. The opposition National Party released its foreign policy discussion paper on October 2. National announced that the policy disputes (read: nuclear issues) of the last two decades are over, and that New Zealand needs a bipartisan approach to foreign affairs; the only differences between Labour and National will be in emphasis and tone. National agrees to maintain New Zealand's non-nuclear legislation and support a smaller, more niche-oriented defense force. National will pursue free trade agreements, particularly with the United States, Japan and Korea. Labour confined its criticism to the omission of Iraq references in the paper. Some media pundits have accused National of a "Labour Lite" policy approach, but National officials claim that both Labour and National have moved more closely to one another in recent years. National officials offer that foreign policy will not be a major factor in the 2008 elections, nor should it as both parties genuinely do share a similar approach -- the real differences that will decide next year's election hinge of domestic economic and social issues. End Summary.

National's Foreign Policy Discussion Paper: Labour Lite?

¶2. (U) The National Party on October 2 issued its foreign policy discussion paper declaring that both major parties now share a bipartisan approach to foreign affairs and that the old policy divisions of the last twenty years are over. To that end, National accepts New Zealand's non-nuclear legislation and independent foreign policy path. National will continue to support a smaller, more niche-focused military while also allowing that New Zealand will occasionally have a role in international security affairs. Moreover, the party agreed that it would not support reinstatement of the air strike wing of the New Zealand Defense Forces, although the party does not rule out increased financial support for the military. A detailed defense white paper would be issued only in the event National wins the 2008 elections. (Note: The lack of detail on defense matters is likely due to National sensitivity to accusations from Labour that the party underfunded the NZ Defense Forces during the 1990s. End Note.)

¶3. (SBU) National's shadow spokesmen on foreign policy, trade and defense were frank in conversations with the Embassy that there is little appetite among the majority of New Zealand voters for a reversal of New Zealand's "Clean, Green, and Nuclear-free" international image, so skillfully branded by Helen Clark and Labour. But National rejects

criticism that they have simply adopted Labour's foreign policy and repackaged it in their recently released discussion paper. National's Trade spokesman Tim Groser told us that just as National has come to accept the anti-nuclear legislation, they claim that the idea of a niche-based approach to their armed forces derives from a National party proposal, which Labour then adopted. National leader John Key has explained that the differences between the two major parties would be in emphasis and tone, but it is time for New Zealand to have continuity in its foreign policy and a bipartisan framework.

14. (SBU) The National paper notes that Australia will remain New Zealand's key bilateral relationship, yet there are several references to improving relations with the United States and the need for a Free Trade Agreement (FTA) with the U.S. National proposes to move the existing US-NZ Partnership Forum from a Track II discussion to more formal Track I inter-governmental dialogue. National spokesmen tell us that they are increasingly concerned over the large numbers of New Zealanders departing each week to live and work in Australia; a statistic they blame in part on the US-Australia FTA. National will consider an FTA with the United States as a key objective, and officials realize that an FTA may be more doable in a multi-lateral formula as opposed to a bilateral one.

15. (SBU) Another area where National intends to focus attention is on assistance to the southern Pacific Islands. Foreign policy spokesman Murray McCully has told us that National wants to rethink New Zealand's development and assistance programs to ensure that the financial contributions have a positive impact on the economic

WELLINGTON 00000757 002 OF 002

sustainability of these countries. New Zealand, says McCully, has been pouring money into the region with little effect. Some Polynesian islands now have larger populations living in New Zealand than on their home islands, as McCully stressed at a recent lunch with the diplomatic corps.

Government Criticism Subdued

16. (SBU) Both Defense Minister Phil Goff and Foreign Minister Winston Peters later issued statements critical of National's paper. Although given the general agreement between the two parties' platforms in the foreign affairs arena, there was little to condemn. While Goff welcomed National's acceptance of what he called key Labour policies, he accused John Key of inconsistency in National's foreign policy approach, saying that such flip flops are indicative of an inexperienced and untrustworthy head of government. Both Goff and Peters complained that National's paper omitted any reference to the Iraq war and the role of the United Nations in international affairs. John Key responded by saying that references to the Iraq war had not been included because the war was over -- a statement that Labour pounced on to reiterate that Key's knowledge and judgment are inadequate to manage defense policy let alone the affairs of a country. Key tried to repair the damage but it was a clear gaffe. Without defending Key, however, media analysts combed their files and found that both Goff and Helen Clark had issued statements welcoming UNSC resolutions in the aftermath of the Saddam Hussein's fall and looking ahead to possible GNZ contributions to Iraq reconstruction. The issue quickly died, much to the relief of both parties.

Comment

17. (SBU) National officials tell us that they wanted to put the foreign policy paper out early to get this issue, which hurt National badly in the last two elections, off the table. They are especially wary of Labour reviving its earlier mantra that National is too pro-American. While Clark's

government has moved far closer to the U.S. since the last election, National still remembers Labour accusations that it was being funded by "American bagmen" looking for National to reverse the nuclear ban.

18. (SBU) National wants to be able to focus the upcoming political debate on the issues that will most matter to the 2008 election outcome: domestic economic and social issues. National maintains that the country's ability to generate wealth and economic growth is being stymied by Labour, doctors and skilled technocrats are leaving the country, crime rates are up, and average families are seeing wages stagnate while the cost of living rises. These are the issues that National hopes to campaign (successfully) on, and they would just as soon leave foreign policy matters aside.

KEEGAN